


Government of the District of Columbia  
Office of the Chief Financial Officer



Jeffrey S. DeWitt  
Chief Financial Officer

**MEMORANDUM**

**TO:** The Honorable Phil Mendelson  
Chairman, Council of the District of Columbia

**FROM:** Jeffrey S. DeWitt  
Chief Financial Officer 

**DATE:** October 14, 2016

**SUBJECT:** Fiscal Impact Statement – Condominium Owner Bill of Rights and Responsibilities Amendment Act of 2016

**REFERENCE:** Bill 21-443, Draft Committee Print sent to the Office of Revenue Analysis on October 12, 2016

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**Conclusion**

Funds are sufficient in the fiscal year 2017 through fiscal year 2020 budget and financial plan to implement the bill.

**Background**

The bill creates<sup>1</sup> a Condominium Association Bill of Rights and Responsibilities, which outlines condominium owners' rights and responsibilities under the Condominium Act of 1976. The Department of Housing and Community Development (DHCD) must post a copy of the Bill of Rights on its website and condominium owner associations must give a copy of the Bill of Rights to new condo owners.

The bill establishes the Condominium Association Advisory Council to advise the Mayor and Council on issues related to condominiums. The Advisory Council will consist of thirteen members: ten community representatives, the director of DHCD or her designee, a representative from the community association management industry, and an attorney who has represented community associations.

The bill requires condominium owner associations with ten or more units to seek mediation before foreclosing on a unit for past due assessments, and to obtain a mediation certificate from the Department of Insurance, Securities, and Banking (DISB) to certify the mediation requirement has

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<sup>1</sup> By amending the Condominium Act of 1976, effective March 29, 1977 (D.C. Law 1-89; D.C. Official Code § 42-1901.01 et seq.).

The Honorable Phil Mendelson

FIS: Bill 21-443, "Condominium Owner Bill of Rights and Responsibilities Amendment Act of 2016," Committee Print provided to the Office of Revenue Analysis on October 12, 2016.

been met. The association can consent to a court-sponsored mediation or it can participate in mediation sponsored by DISB. The owners' association and the tenant must pay the same mediation fee to DISB, the amount of which the Mayor can set through rulemaking. If the owners' association proceeds with a foreclosure, it may recover the fee from the proceeds of the sale.

### **Financial Plan Impact**

Funds are sufficient in the fiscal year 2017 through fiscal year 2020 budget and financial plan to implement the bill.

DISB can manage additional work from the bill using its existing resources. Depending on the fees the Mayor sets and the number of mediations DISB sponsors, fees deposited in the DISB Foreclosure Mediation Fund<sup>2</sup> could increase, but any increase is expected to be small.

DHCD can attend the Advisory Council meetings and post the Bill of Rights on its website without additional resources. However, DHCD could see an increase in work that might be difficult for it to absorb if the publicizing of condo owners' rights leads to a large number of complaints that DHCD must investigate.<sup>3</sup> It is difficult to predict the exact impact the Bill of Rights might have on complaints, especially since the Bill of Rights does not give any additional rights to condo owners—it only publicizes the rights that condo owners currently have.

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<sup>2</sup> D.C. Official Code § 42-815.02.

<sup>3</sup> DHCD reports it takes about 10 to 15 hours to investigate a complaint.